

MOBIUS Task Force on Financial Planning Outline for Final Report

1. Charge

2. Principles the Model is based on

- a. Membership (fixed)
 - (1) Training
 - (2) Courier stop
 - (3) Administrative overhead (meetings, etc.)
- b. Size of institution
 - (1) Size (impact on) MCO servers
 - (2) Size (impact on) cluster servers
- c. Dynamic use of the automated system
 - (1) Use by the public served
 - (2) Use by the library staff
- d. Borrowing and Lending in the system
 - (1) Borrowing within the cluster
 - (2) Borrowing through INNReach
 - (3) Credit for lending within the system

3. Numbers selected to represent these principles

a. Fixed price of \$10,000 is loosely based on the current cost of training (approximately \$3,000 from each institution, divided evenly), the courier stop (approximately \$3,000), and half of administrative overhead of the system. It was recognized that training is dis-proportionately used by those who need it most and would be least likely to use it if there were an additional cost. However, the net providers of training receive large benefits in having an accurate joint catalog and efficient ILL staff at other institutions in the system. All members of the system receive the benefits of training availability as a sort of insurance, even when they are not consuming training. Therefore, a certain basic level of training availability should be a fixed part of the system. The remainder of the administrative overhead, the cost of running the servers, the help desk, and the Innovative software are distributed among the libraries proportionally, using the following numbers...

b. Item count as a percentage of the MCO items and as a percentage of all local cluster items. Also looked at patron count, but rejected it: varying compliance with clearing out old and un-used data. May consider some sort of "sin tax" later to encourage best practices in the system. A combination of patrons and items might be considered in the future. Also looked at bib record count, but rejected it: difficult to determine and isolate within clusters, does not yet permit a reliable method for rewarding holders of unique information.

c. Difficult to represent, but for a starting point, the circulation total activity was chosen to represent each institution's use of the system, primarily because it is easier to isolate in the web management reports, for self reporting, as was done on the current model. Other representative numbers (such as number of acquisition records or serials records) might give a clearer picture, but in the interests of simplicity of design they were rejected on this model. The number of licenses does not give a particularly good picture of staff use, but it was the only data driven part of the previous model, so it was retained in this model to provide a better transition.

d. Borrowing and lending activity is very dynamic and volatile and difficult to manage, so a three year running average is recommended in this model to lend a little stability to estimated costs at the institution level. Borrowing is figured both at the cluster level and at the INNReach level. Lending libraries are given a credit (paid for by the borrowing libraries charges) for their staff time and provision of resources.

4.Phase-In. Providing three years to phase in the new system permits an easier transition for those libraries facing major changes in their financial relationship with MOBIUS.

Task Force Recommendations to the Executive Committee:

1. Adopt the structural model as represented for the 2009-2012 year period.
2. Consider the impact of gathering and maintaining the required data for this model and provide appropriate staffing in the MCO office.
3. Consider the addition of a paid membership category for partnerships, suggesting a minimal level of \$5,000 to cover only a courier stop, attendance at meetings and no training or automatic borrowing privileges.
4. Develop a list of normal core services provided by MCO and a list of those services which probably ought to be charged an extra fee.
Possibly also: Form a financial subcommittee of the Executive Committee – perhaps treasurer and two others – to assist in developing this list and acting as quick consultants when a new request is made which does not fit either list.
5. Determine what software has been purchased and added in specific clusters or institutions and to determine the fair portion of the MOBIUS maintenance bill which is attributable to this software and re-distribute these costs to the clusters or institutions, respectively. If possible, this should be done before the 2009-10 budget is finalized.

Accompanying documents:

Assessment Model spreadsheet, as shown to the Board on July 24
Three year averaging spreadsheet for borrowing/lending data